



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

JUN -2 2011

John J. Welch, Jr. Esq.
John J. Welch, Ltd.
8 East Center Street
Rutland, Vermont 05701

RE: MUR 6382
Len Britton

Dear Mr. Welch:

On September 23, 2010, the Federal Election Commission notified your client of a complaint alleging violations of certain sections of the Federal Election Campaign Act of 1971, as amended. On May 12, 2011, based upon the information contained in the complaint, and information provided by you, the Commission decided to dismiss the complaint and closed its file in this matter. Accordingly, the Commission closed its file in this matter on May 12, 2011.

Documents related to the case will be placed on the public record within 30 days. See Statement of Policy Regarding Disclosure of Closed Enforcement and Related Files, 68 Fed. Reg. 70,426 (Dec. 18, 2003). A copy of the dispositive General Counsel's Report is enclosed for your information.

If you have any questions, please contact Frankie Hampton, the paralegal assigned to this matter, at (202) 694-1650.

Sincerely,

Christopher Hughey
Acting General Counsel

A handwritten signature in black ink, appearing to read "Jeff S. Jordan", is written over the typed name and title.

BY: Jeff S. Jordan
Supervisory Attorney
Complaints Examination and
Legal Administration

Enclosure
General Counsel's Report

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BEFORE THE FEDERAL ELECTION COMMISSION

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FEDERAL ELECTION
COMMISSION

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CELA

In the Matter of

MUR 6382

LEN BRITTON FOR VERMONT AND

CHARLES TAYLOR, AS TREASURER

LEONARD W. BRITTON

)
) DISMISSAL AND
) CASE CLOSURE UNDER THE
) ENFORCEMENT PRIORITY
) SYSTEM
)

MAY - 3 2011

GENERAL COUNSEL'S REPORT

12 Under the Enforcement Priority System ("EPS"), the Commission uses formal scoring
13 criteria to allocate its resources and decide which cases to pursue. These criteria include, but are not
14 limited to, an assessment of (1) the gravity of the alleged violation, both with respect to the type of
15 activity and the amount in violation, (2) the apparent impact the alleged violation may have had on
16 the electoral process, (3) the legal complexity of issues raised in the case, (4) recent trends in
17 potential violations of the Federal Election Campaign Act of 1971, as amended ("the Act"), and
18 (5) development of the law with respect to certain subject matters. It is the Commission's policy
19 that pursuing low-rated matters, compared to other higher-rated matters on the Enforcement docket,
20 warrants the exercise of its prosecutorial discretion to dismiss certain cases. The Office of General
21 Counsel has scored MUR 6382 as a low-rated matter and has also determined that it should not be
22 referred to the Alternative Dispute Resolution Office. This Office therefore recommends that the
23 Commission exercise its prosecutorial discretion to dismiss MUR 6382.

24 In this matter, complainant Jeannine M. Riley, owner of the Castle Management Group,
25 LLC ("CMG"), alleges that Leonard W. Britton¹ and Len Britton for Vermont and Charles Taylor,
26 in his official capacity as treasurer (the "Committee"), violated 2 U.S.C. § 434(b) by under
27 reporting alleged campaign debt on its 2010 FEC disclosure reports. Specifically, Ms. Riley asserts
28 that in "both the 2010 second quarter filing and the 2010 pre-primary filings," the Committee

¹ Mr. Britton was an unsuccessful candidate for the United States Senate from Vermont in 2010.

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1 incorrectly states that "the outstanding balance due to Castle Management Group LLC" for
2 campaign management and consulting services "is \$16,577.54." According to the complainant,
3 "the correct balance as of June 16, 2010 is \$44,196.17," or \$27,618.63 more than the amount
4 reported. In support of her claims, the complainant attaches both a four-page invoice dated
5 June 16, 2010, setting forth a breakdown of the expenses at issue, which were allegedly presented
6 for payment between December 17, 2009 and June 16, 2010, and a copy of a letter dated August
7 20, 2010, in which CMG advises the Committee that under reporting debt may constitute a violation
8 of the Act.

9 In its response, the Committee denies the complainant's allegations and maintains that CMG
10 and an individual identified as "Dan Riley," who is described as a "principal" of CMG,² breached an
11 agreement with the Committee concerning Mr. Riley's role as the Committee's campaign manager.³
12 According to the Committee, it has already paid Mr. Riley and CMG a total of \$11,750, as reflected
13 on its 2010 April and July Quarterly Reports, and, "giving Mr. Riley [] the benefit of the doubt as
14 respect to his claimed expenses," owes him no more than an additional \$16,577.54. The Committee
15 has disclosed debt of \$16,577.54 owed to CMG, with the purpose listed as "campaign manager," on
16 Schedule D of the Committee's 2010 July Quarterly and Pre-Primary Reports, and on subsequent
17 financial disclosure reports. The Committee also states that it "finally parted company" with Mr.
18 Riley and CMG in early April, 2010, an assertion supported by a letter to the Secretary of the

² CMG's website lists Mr. Riley as an email contact, see http://www.castlemanagementsgroup.com/Contact_Us.html. In a copy of an email to the Committee, which is attached to her complaint, Ms. Riley indicates that Mr. Riley is associated with CMG.

³ Appended to the response as Exhibit A are examples of alleged activities by Mr. Riley with which the Committee has taken issue, including purportedly unauthorized statements made by Mr. Riley in the candidate's name. The Committee also includes, as Exhibit B, an unsigned "Offer to Subcontractor," which purports to contain at least some of the contractual terms between the Committee and CMG and, as Exhibit C, a schedule of payments allegedly made to CMG as of April 27, 2010, totaling \$10,250.00. In its response, the Committee asserts that it made three subsequent payments to CMG of \$500 apiece, or \$1,500, for total payments equaling \$11,750.

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1 Senate filed by Mr. Riley on June 4, 2010, in which he states that his service to the Committee
2 ended as of April 2, 2010, *see*
3 <http://images.nictusa.com/pdf/319/10020403319/10020403319.pdf#navpanes=0>.

4 The Committee is under an obligation to continuously report debts and obligations until they
5 are extinguished, including debts arising from bona fide disagreements between creditors and
6 political committees over the existence or amount of an obligation. *See* 2 U.S.C. § 434(b)(8);
7 *see also* 11 C.F.R. §§ 104.3(d), 104.11, and 116.10. Here, the alleged disputed debt is apparently
8 based on alleged unpaid consulting fees and unreimbursed expenses which, according to the
9 complainant, were incurred by Mr. Riley while serving as the Committee's campaign manager, in
10 the amount of \$44,196.17. The Committee, however, denies any outstanding debt or obligation to
11 Mr. Riley and CMG in excess of the \$16,577.54 that it has already disclosed, which is \$27,618.63
12 less than Mr. Riley claims he is owed.

13 It appears that the parties are in dispute over a potential debt of \$27,618.63 owed by the
14 Committee. Accordingly, the Committee should list the disputed amount on its disclosure reports.
15 *See* 11 C.F.R. §§ 104.11 and 116.10. Given the limited scope of the activity in this matter, we
16 believe that further enforcement action is unnecessary. Accordingly, under EPS, the Office of
17 General Counsel has scored MUR 6382 as a low-rated matter and therefore, in furtherance of the
18 Commission's priorities as discussed above, the Office of General Counsel believes that the
19 Commission should exercise its prosecutorial discretion and dismiss this matter. *See Heckler v.*
20 *Chaney*, 470 U.S. 821 (1985). Additionally, this Office recommends that the Commission remind
21 Len Britton for Vermont and Charles Taylor, in his official as treasurer, of the requirements of
22 2 U.S.C. § 434(b)(8) and 11 C.F.R. §§ 104.3(d), 104.11, and 116.10 concerning the reporting of
23 disputed debts.

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RECOMMENDATIONS

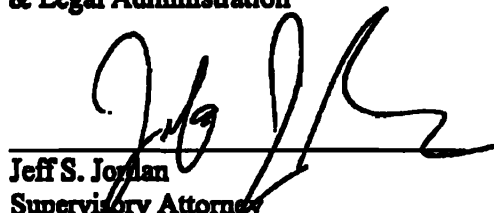
The Office of General Counsel recommends that the Commission dismiss MUR 6382, close the file, and approve the appropriate letters. Additionally, this Office recommends that the Commission remind Len Britton for Vermont and Charles Taylor, in his official as treasurer, of the requirements of 2 U.S.C. § 434(b)(8) and 11 C.F.R. §§ 104.3(d), 104.11, and 116.10 concerning the reporting of disputed debts.

Christopher Hughey
Acting General Counsel

5/2/11
Date

BY:


Gregory R. Baker
Special Counsel
Complaints Examination
& Legal Administration


Jeff S. Jordan
Supervisory Attorney
Complaints Examination
& Legal Administration


April J. Sands
Attorney

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